

February 19, 2009

Dear House Agriculture Committee:

I am Jenny Sabo, and my husband Mark and I own Sabo Ranch, in Harrison, Montana. We raise 100% grassfed beef cattle using organic principles (not certified), and are developing a herd of 100% grassfed Jersey dairy cattle. We also raise free range pastured laying hens (150 birds), and pastured pork on a limited basis.

We sell directly to local Montana customers, through a Grassfed Meat CSA (a once-monthly delivery of meats to customers who pay up front for 6 months of deliveries), Bozeman's Bogert Farmers Market, and the new Bozeman Winter Farmers Market. We have seen a huge, incremental increase in interest in locally produced Montana food, even through the economic downturn of the last two years.

The following Montana farmers/families benefit directly from our own sales of beef and pork to Montana consumers:

- Pastured Pork
 - Leon Stengl, Hamilton, MT- weanling pigs
 - Sausage Equipment and Supply, Three Forks, MT- supplies us with organic spices for sausages.
 - Several different Montana grain producers, who sell to Leon Stengl for his pig feed
- Free Range Layer Hens
 - Big Sky Organic Feed of Helena - Poultry grains
 - Several more different Montana grain producers, who sell to Big Sky Organic Feed (they commit to buying as much of their grain mixes from Montana growers as possible)
- Sabo Ranch Sausages
 - Forcella Meats, Whitehall, MT- sausage processor

We are very interested in sourcing our grains from our own county for both our poultry and pork. We have found that our local grain farmers need more information to transition to no-toxics agriculture for our grain purchases. **They also need information on pricing, storage, and how to process their raw grain into a "consumer friendly" form, whether for livestock or human consumption.**

We are also working to create a cooperative sales location in Bozeman to directly connect Farmers, Local Food Processors, and Consumers on a year-round basis.

We will be relying on Mission Mountain Market (MMM), in Ronan, to supply us information about a legal cooperative structure for this organization. MMM has

also supplied us with extensive information as we developed a private poultry processing trailer which can travel from farm to farm, making locally grown poultry more easily available to Montana families who want to raise their own.

I would encourage legislators to support these currently operating agricultural development centers, with added funding from HB 583.

Jobs were disappearing in our rural areas even before the economic downturn. We do not have the innate knowledge base in our rural areas to easily develop new value-added agricultural products for sale to Montanans who seek them.

Let us not follow India's example, where raw cotton was grown by Indian farmers, sold at rock-bottom prices to English merchants, shipped for weaving to mills in Manchester, England, and the resultant cloth resold to Indian farmers for exorbitantly high prices.

Montana grows high quality raw products of all types, but we do not have the knowledge base in Montana's small rural communities to add value to these products and resell them to Montanans who need them. Please support the organizations which have, and will continue to have, the ability to teach us how to add value to our products.

Development of a stable, sustainable Montana food system can help make value-added agriculture an engine of community-based economic development. It just makes sense for all Montanans.

Thank you for your support of HB583.

Sincerely,

Jenny and Mark Sabo

Sabo Ranch Grassfed Meats

Harrison, MT 59735

(406) 685-3248

saboranch@gmail.com



Timeless Seeds, Inc
P.O. Box 881
Conrad, MT 59425
www.timelessfood.com

February 18, 2009

TO: House Appropriations Committee

RE: HB 583

Tel 406 278-5722
FAX 406 278-5720

Dear Chairman and members of the committee:

I am a third generation Montana farmer from Conrad, and co-founder/general manager of Timeless Seeds, Inc. with locations in Conrad and Ulm. Timeless is a specialty grain business with customers across America as well as in Asia and Europe.

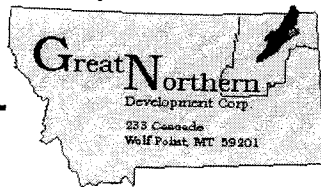
On behalf of myself and the 7 employees of Timeless Seeds, I voice my strong support for HB 583. Our business has benefited greatly from the existing Food Innovation Center. We are a small business in a small rural community, but thanks to the help of the Mission Mountain Food Development Center in Ronan and a variety of state programs, we have been able to develop a successful retail line of value added agricultural products that can be found in over 300 grocery stores all across America. These include some of the most exclusive and well known gourmet and natural food supermarkets in the United States, such as Dean & DeLuca's, Andronico's and Whole Foods.

It may be interesting for you to know that while the general economy has declined since September, the demand for our value-added products has nearly doubled in the same time period. While there are daily reports of workers being laid off by the thousands, Timeless has increased our staffing in the same time period. While Caterpillar and GM and Chrysler are shutting down production lines, we are planning to add a production line to increase our packaging capacity. This speaks both for the resiliency of small business in hard economic times, as well as for the staying power of value added food products.

Support for the ag innovation centers will allow other small agricultural businesses to develop value-added products, create jobs, and expand production, thereby boosting Montana's economy in good times and in bad. I urge your support of HB 583.

Best Regards,

David N. Oien, President
Timeless Seeds, Inc.



Great Northern Development Corporation

233 Cascade Street, Wolf Point, MT
59201

Phone: **406-653-2590**, Fax: 406-653-1840
Email: linda@gndc.org

February 18, 2009

**To: Rep. Jon Sesso, Chairman, House Appropriations Committee and
Members of the House Appropriations Committee**

RE: HB 583 Fund Food and Agriculture Innovation Centers

Thursday, February 19, 2009 you will hear testimony and be provided documentation regarding the usefulness of the Agriculture Innovation Centers. This is an important piece of legislation as it provides the resources needed to promote two of the most lucrative resources the State has available. Entire economies have been built on agriculture and/or energy. This bill provides contact information in the rural communities; where it belongs.

The Great Northern Development Corporation has been privileged to be an ag innovation center/Bio Product Innovation Center from the beginning. We see the concerns and questions of rural producers or value added entrepreneurs one on one or face to face. We provide the specific workshops needed within our regions and address the very different ideas expressed across the great State of Montana. We see the need to continue with this effort and if funded will do our best to provide a return to the State of Montana.

We thank you for your consideration and urge you to vote yes on HB 583.

Once again, thank you.

Sincerely

Linda Twitchell
Executive Director,
Great Northern Development Corporation



February 18, 2009

To: Montana State Legislators
Re: HB583

This letter is in support of HB 583 to provide continuous funding for Food Processing and Energy technical assistance centers in Montana. Currently, SMDC is a Bio-Products Innovation center (BPIC) and in the previous 18 months SMDC has provided a wide range of technical assistance to 26 businesses in the BPIC program. The net results of SMDC efforts are that more than 21 jobs have been retained, 34 people were trained, and \$323,239.00 was leveraged for training, startup and expansion activities.

Examples of businesses we've worked with include:

- Cream of the West, in Harlowton, processes and packages locally grown grains for breakfast and snack foods. SMDC furnishes technical assistance for their business plans, feasibility studies, expansion ideas, and training opportunities such as MMEC's 'Eureka Winning Ways' process.
- We have assisted in development of the business plan, helped secure grants for the feasibility study and equipment, and aided in the design of a shared-use commercial kitchen at the Fergus County Fairgrounds. Currently 35 value-added producers process their food stuffs at this facility.
- Big Spring Food Co-op, another BPIC project, has received technical assistance from SMDC to help launch this project that covers a wide range of subjects and includes but is not limited to: drafting of By Laws; Articles of Incorporation; selling of shares; feasibility studies; business structure; industry trends; business plan; corporate documents, projection review, cash flow and budget, documents for initial filing; securing a RBEG grant to purchase equipment; establishing a board; selection of store furnishings and set-up; creation of new strategies to develop a symbiotic relationship between them their producers, and the customer. This outlet provides marketing opportunities for local producers not otherwise available.
- Ole Norgaard of North Frontier Foods and Joe Hamill of Autumn Creek Farms, have both received technical assistance and education from SMDC to further their organic and locally grown produce operations.
- We have assisted 8 businesses that were looking for information and assistance in start-up biomass or bio-fuels operations in Central Montana. SMDC made available data from previous feasibility studies and community wildfire protection plans that would enable them to make informed decisions for these projects. Three of the proposed projects are expansions of out of state companies looking to locate new divisions in Central Montana that forecast employment of more than 50 people in these new facilities.

Montana has a strong agriculture base which could support the economy if businesses were assisted and our products were value-added. We hope that you will support this ongoing venture to provide assistance to our agriculture economy and create a larger value-added segment to that economy.

Sincerely,

Kathie A. Bailey

Kathie A. Bailey,
Executive Director



eat
right. an affiliate of the
American Dietetic Association

P.O. Box 1197, Helena, Montana 59624
www.montanadieteticassociation.org

February 18, 2009

Dear Mr. Chairman and Members of Committee:

On behalf of the Montana Dietetic Association we are writing in support of HB - 583 the "Food and Ag Development Centers" Bill. This bill will support a network of six Montana food and agriculture development centers which will begin to address the lack of infrastructure to support better access to local foods by Montanans.

The Montana Dietetic Association is made up of 250 registered dietitians who have expertise and education in nutrition and its critical impact on health for people of all ages.

Our members work in a variety of settings such as hospitals, universities, physician offices, health departments, schools, local and state agencies that support federal nutrition programs and food pantries. We see first hand the demand by Montanans of all ages for better access to local foods but at the same time the huge barrier - lack of infrastructure for food processing - to meeting the demand for these foods. For instance, school food program managers want to incorporate more Montana produced foods on their menus, such as carrots or apples. But, these foodservice programs require much of the produce they purchase in value-added (processed) form. At this point in time, with the lack of food processing infrastructure in the state, school foodservice programs have difficulty purchasing local products. The Food and Agriculture Development Centers can fill this unfortunate gap in the Montana food system, making it easier for Montana citizens to enjoy food produced right here in Montana.

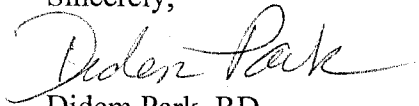
At the same time, this bill will also support small entrepreneurs in product development by providing them a center to conduct product testing, obtain training and technical assistance that they couldn't afford to access on their own. Thus this bill makes sense for

addressing both the demand and supply side of this issue and is thus important to our state economy and to the health of our citizens.

Locally grown food is tastier and healthier so we need to take statewide measures to make it easier for Montanans to access it. In addition, improving our state's ability to feed its citizens with Montana grown food is also an important factor in the food security of Montanans. A vibrant food production and processing infrastructure within our state will lead to increased access to healthy foods for all citizens, including those living in poverty and in rural locales with limited food distribution networks. Additionally, food banks and food pantries have been shown to benefit when the food production/processing infrastructure is functioning well through increased gleanings and donations.

This bill needs your support as it will help the health (both financial and physical) of Montanans by addressing a primary barrier that we face -- lack of state infrastructure for food processing. Thus, we encourage you to vote for this bill to help Montanans, especially children, gain better access to locally produced foods and at the same time support economic development in our great state.

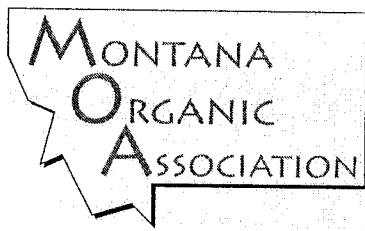
Sincerely,



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February 18, 2009

**TO: Rep. Jon Sesso, Chairman, House Appropriations Committee and
Members of the House Appropriations Committee**

RE: HB583 Fund Food and Agriculture Innovation Centers

The Montana Organic Association (MOA) represents over 200 farmers, ranchers, processors, retailers and others across the state of Montana.

We are writing in favor of HB 583, and like to express strong support for Montana's Ag Innovation Centers, also known as Bio-Product Innovation Centers. These centers have proven their success by helping a number of people including some of our members in the areas of food manufacturing and alternative energy production. These centers are corner stones in Montana's ability to help and assist local entrepreneurs in the startup process to take advantage of their ideas, with a tremendous potential for economic development in both urban and rural communities.

While we understand well the constraints of the General Fund Budget and the Montana and National economy, we believe that this as an investment that will return many times the dollars invested by insuring that more of the state's food, agricultural, and energy dollars remain in circulation in Montana.

Thank you for your consideration of funding Montana food and agriculture innovation centers as detailed in HB583.

Sincerely,

Ole Norgaard, Chair
Montana Organic Association

Bethann Garramon

Written testimony

Submitted 19 February, 2009 in support of HB 583

My name is Bethann Garramon, I am 24 years old, and I live in rural central Montana. I grew up in Choteau, and currently live west of Dupuyer, MT. My family's third generation business is in an agriculture-related industry – wooden fencing materials. I was immersed in rural agricultural community and economic culture from childhood, and have a degree emphasizing Sustainable Food and Agriculture from the University of Montana. I currently work for a conservation education program on the Rocky Mountain Front which focuses on the interrelationships of natural resources, landscape conservation, and traditional agriculture. I am involved with a community development process in Choteau emphasizing community-based solutions to poverty-related issues in the community, and in Teton County.

Since this community development process began in 2008, there have been countless references to the once-vibrant agricultural elements of our region. Although there are still many family-owned farms and ranches, their options for marketing their produce (livestock or otherwise) have been steadily declining. Of particular significance to this observation is the devastating fire around a decade ago that destroyed a family-owned meat packing plant – the plant employed a number of community members, served producers from the surrounding region, and increased the value of the products being marketed in and beyond Teton County by producers from the region.

Today, conversations often hark back to the multi-layered value and contribution of that packing plant, as well as a feed processing plant that burned down several years later. With the loss of these two facilities, Choteau area producers' options are even more limited. Frequently, producers and non-agricultural community members alike emphatically identify the need for State of Montana support, encouragement, and facilitation of the enhancement and development of value-added production capacity required in order to 1) remain competitive in an increasingly demanding global marketplace, and more importantly 2) to establish food system self-sufficiency on a level that provides both financial and ecological stability for our state.

I challenge you, as representatives of this state's citizens, to actively participate in developing Montana's agricultural and food-product systems into an example to be emulated globally. Empowering creativity and diversity in Montana's producers is a fundamental step, and HB 583 strives to ensure these producers will have access to the expertise and resources required to continue developing our state's role as an exemplary food system. I encourage you to support legislation such as HB 583, and to contribute to Montanan's efforts to enhance the capacity of Montana's food system.



Strengthening our Food and Agricultural Economy

Testimony Supporting

HB 583

Crissie McMullan

Grow Montana

Dear Chairman Sesso and members of the committee:

My name is Crissie McMullan, and I am testifying on behalf of Grow Montana, a broad-based statewide coalition supporting a Montana-based food and agricultural economy.

Montanans spend \$3 billion on food each year—90% of those dollars go out of state or even out of the country. Initially, this fact may seem ironic, since Montana has the second largest acreage in agriculture of our nation.

But most any economist, farmer, rancher, or food entrepreneur can quickly tell you why so little food grown in Montana is eaten in Montana. We simply do not have enough food processing in our state. We sell raw commodities at often rock-bottom prices to out-of-state companies. They then process and re-sell those commodities to Montanans in the form of bread or ground beef—at a much higher price, with much higher profits.

In 2007, the legislature adopted SJR 13. This requested an interim study on ways to redevelop Montana's food processing industry. Grow Montana has worked closely with the economic affairs interim committee to conduct this study. We have a few copies of the full results here today. We can get copies to anyone else who is interested.



Specifically, we interviewed a broad range of Montana food industry professionals. What did they perceive to be the main barriers to expanding the amount of food grown and processed in-state? The most frequent answer: a lack of technical assistance and marketing information. Perhaps the best way to provide that service is through food and ag development centers. We studied eleven such centers from across the US and in Canada, documenting their successes and lessons learned for the use of Montana's developing network. More than 75% of these centers receive some level of government or university support.

Montana already has the beginnings of a successful food and ag innovation center network. You will hear more about our early-results in later testimony. While we understand that this is a tough time to ask for state funding, our research shows this fiscal note to be a very modest investment compared to the economic benefits that will come back to our state. What's more, every dollar allotted in the state budget will also be matched by additional federal and private dollars. Please help Montanans increase their share of the state's \$3 billion dollar food market. Our four years of on-the-ground experience developing Montana's food system, along with a year and a half of research with the economic affairs interim committee, tells us that we will continue to lose those dollars if we do not boost our in-state food processing. Please include HB 583 in your larger state budget, for the good of Montana's farmers, ranchers, and eaters.

Thank you for your time. I will be happy to answer any questions.